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Central Intelligence Agency



Washington, D.C. 20505

DDI CHRONO

ATTENTION: DAMI-FII

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1984

Major General William E. Odom, US Army
 Assistant Chief of Staff for Intelligence
 The Pentagon, Room 2E464
 Washington, D.C. 20310

Dear Bill:

Many thanks for your comments on our research program. Your points are well taken and generally in accord with our plans.

We agree that Soviet resource allocation deserves a broad analysis. The DI research program for this year is only the first stage of a long-term effort to assess the impact of high technology and rising costs on Soviet weapon production. The title of the project referred to suggests there is evidence for the transfer of resources from the aircraft sector to the agricultural sector. This evidence is fragmentary, however; we doubt there has been a fundamental shift in resources. Indeed, during the next decade, the Soviets will have a difficult time producing the aircraft they require for their modernization program with the resources available. We foresee no fundamental change in resource allocation.

We will continue to devote resources to Peru, Bolivia and Ecuador as time and competing priorities permit. We have done a substantial amount of work in the past year or so on the topics you mentioned. The following recent papers are available if you care to see them:

Peru: The Insurgent Threat
 Peru's Military: Conventional and Counterinsurgency Capabilities
 Cuba: Castro's Propaganda Apparatus and Foreign Policy
 Cuba's Evolving Relations with South America
 Bolivia's Foreign Policy: How Far to the Left?

This work has built a strong foundation for further research and analysis as new information is received and changes in the baselines occur. Moreover, it has sensitized analysts and collectors to the need for a more frequent close look at these issues.

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Discussion of the Theater Strategic Operation (TSO) concept would be integral to the first two of these papers as a means of providing a framework for their analysis.

The Strategic Forces Division of the Office of Soviet Analysis has papers in process for 1984 which address a range of issues related to theater operations. These include:

Implications of Theater Warfare for Intercontinental Operations
Soviet Strategic Nuclear Missions and Targeting Against NATO Europe
Control of Soviet Air Defense Navy Joint Operations

We expect continued progress in our cross-cutting efforts in the SBDP and LAMM programs. The Army's financial support and analytical participation has been a key element in LAMM's success and we look forward to this year's LAMM future forces update. To improve support of the SBDP, we are extending the data base to the year 2005 and we also are providing a more detailed narrative description of our projections rationale.

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Robert M. Gates

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